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Women's Wages in 2004

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Maine Department of Labor Issue Brief
Women's Wages In 2004

Maine women employed full time earned approximately 76 cents for every dollar earned by their male counterparts in 2002.

On a national scale, women fared somewhat better, earning 78% of their male counterparts. In dollar terms, however, the difference in pay equates to approximately \$150 per week and \$6,000 per year.

National numbers tell us the extent of the gender gap varies based on a number of factors including occupation, race, age, and education.

The wage gap is greatest for white women, whose earnings were only 78% of white men's. Black women earned nearly 91% of black men, and Hispanic women's wages were 88% as much as Hispanic men.

The wage gap was smaller for younger women than for all other age groups. Women 20-24 years old earned nearly 94% as much as men their age. However, women in their

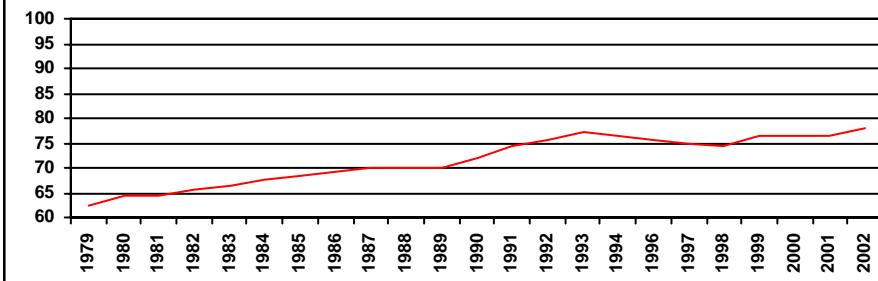
prime earning years (ages 45-54) earned only 75% of men in their age bracket.

Women who are college graduates experience a larger wage gap (74%) than high school graduates (75%) or those without a diploma (77%).

Although the wage gap has narrowed significantly since the late 1970's when women's wages were 62% of men's, progress has slowed in recent years. The recent extent of improvement may have less to do with women's wages gaining ground than does the slowing of growth in men's wages.

This report seeks to outline some of the theories of why the gender wage gap exists and explains federal and state laws prohibiting wage discrimination by employers. In addition, it outlines additional policy solutions to ensure economic fairness for the 332,000 women who are part of the Maine Workforce.

Women's Income as Percent of Men's for Full-Time, Full Year Work, 1979 - Present



The Wage Gap Explained

Although there is a great deal of disagreement on the exact causes of the wage gap, a couple of different theories seek to partially explain the disparity between men's and women's earnings.

Human Capital Theory

Many point to the human capital theory to explain the wage gap. Human capital in terms of work competencies equates to education and skill attainment. Because the division of labor within families often places the responsibilities for child rearing and care giving on females, women are more likely to have breaks in service — leading to missed opportunities for training and advancement. Some also speculate that women are less likely to invest in their own human capital and are more likely to choose or be forced into careers that allow them to leave and reenter the labor force with minimal skill depreciation. Career paths offering low skill depreciation also lead to lower level, lower paid jobs.

Occupational Distribution

Employment surveys have consistently shown that women are concentrated in certain occupations that traditionally pay less than men. In the late 90's the Congressional Research Service reported that 38% of women were employed in female dominated occupations (defined by them as occupations with 80% or more female employment), 58% in gender neutral, and only 4% of women had broken into male dominated occupations.

With few exceptions, female dominated

Most Gender Segregated Occupations in Maine & Average Annual Wages	
Male	Female
1. Roofers \$25,410	1. Dental Hygienists \$48,680
2. Heating / AC / Refrigeration Mechanics and Installers \$32,930	2. Preschool and Teachers \$21,020
3. Heavy Vehicle / Mobile Equipment Techs & Mechanics \$33,300	3. Secretaries / Administrative Assistants \$23,750
4. Bus and Truck Mechanics / Diesel Engine Specialist \$31,580	4. Hairdressers / Hairstylists \$20,310
5. Crane and Tower Operators \$34,900	5. Tellers \$19,400

Sources: Maine Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of the Census

occupations in Maine pay significantly less than male dominated occupations. This holds true even in jobs where education, responsibilities and skill levels are taken into account.

For example, school bus drivers and transit workers (city bus drivers) are both gender segregated occupations. School bus drivers are typically female and public transit workers are typically male. Although in many cases, employees in both occupations are employed by the same municipality doing essentially the same work, School Bus Drivers make on average \$11.66 an hour and public transit make on average \$16.72 an hour.

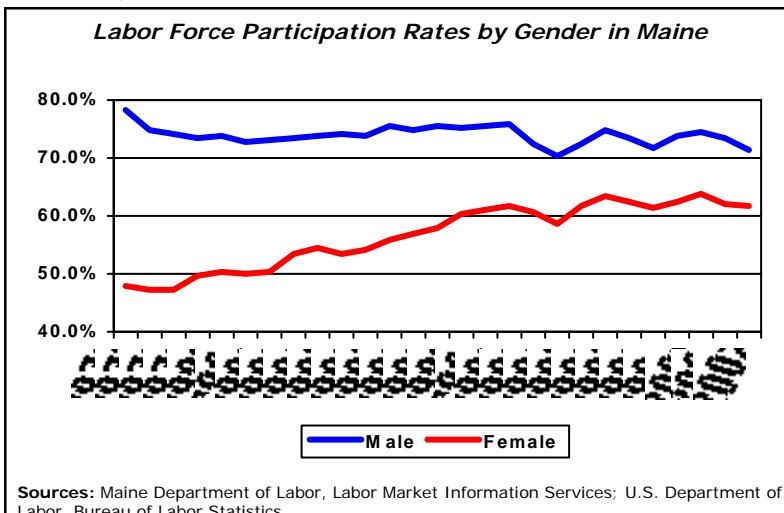
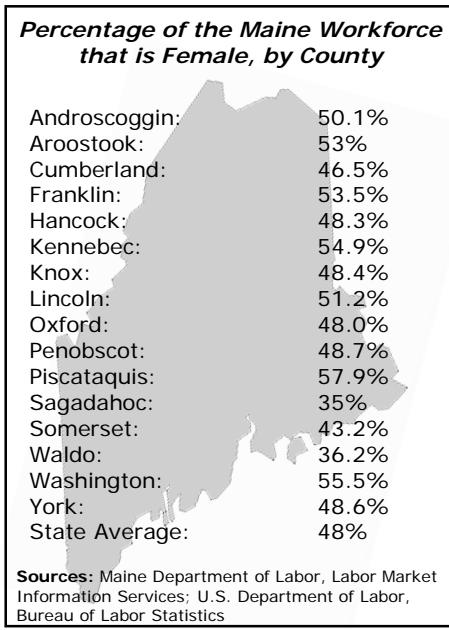
Discrimination

Even accounting for gender segregation and human capital theories, some of the wage gap still can't be explained. Though it is generally accepted that few employers today consciously discriminate against women in the workplace, some point to inadvertent discrimination as part of the problem.

Many employers view their workforce as an investment; and in a manner, workers are considered as an asset of their business. As they choose to further invest in their incumbent workers, whether it be through promotions, trainings or apprenticeship opportunities, they may be less inclined to allocate limited resources to employees who may be perceived as less stable in their work because of extensive family commitments like caring for children or an elderly relative, or those who are pregnant and expected to be out on maternity leave. However, by not investing in a segment of their workforce, employers may be creating a self-fulfilled prophecy as workers seeing little opportunity for advancement — after being passed over for promotions and training opportunities — choose to look for other work.

Women in Maine's Labor Force

- Females comprise 51.3% of the population in Maine.
- Forty-eight percent of the Maine workforce is comprised of women, 52% is male (332,000 vs. 355,000).
- More women than men are not part of the labor force. In 2002, 38% of women were not working or looking for work, as opposed to 28% of men.
- In 2002, 3.4% of females in the labor force were unemployed, compared with 5.3% of males. The female unemployment rate has consistently been lower than the male unemployment rate.
- In 2002, 31% of women workers were employed part-time, compared with only 12% of males.
- Maine women hold a large share of white-collar, clerical and service jobs: 48% of executive administrative and managerial jobs; 61% of professional specialty jobs; 79% of administrative support and clerical jobs; and 68% of service jobs.
- Maine women hold a small share of blue-collar jobs: 6% of precision production and repair jobs; 31% of machine operator, assembler and inspector jobs; 13% of transportation and material moving jobs; 30% of helper and laborer jobs; and 19% of farming forestry and fishing jobs.
- More women are being served under certain workforce development programs in Maine. In the last fiscal year, women comprised nearly 60% of those served under the Maine Workforce Investment Act Adult and Dislocated Worker Program.



Overview of Pay Equity Laws

Nationally, two laws are on the books to protect workers from wage discrimination, the Equal Pay Act of 1963 and the Civil Rights Act of 1964. The Equal Pay Act requires employers to compensate men and women the same for equal work. The Civil Rights Act, under Title VII, prohibits wage discrimination based on race, color, sex, religion or national origin.

In the years since the two laws were enacted, case law has clarified and strengthened protections. In 1970, the courts ruled that the Equal Pay Act pertained not only to identical jobs, but also those "substantially equal." A 1974 ruling clarified that employers couldn't pay women employees less money simply because the "going rate" for women was less than wages men were willing to work for. And in 1981, the Supreme Court ruled that the Title VII of the Civil Rights Act prohibits wage discrimination even when the jobs are not identical.

Maine's equal pay law can be traced back to the 94th Maine Legislature and a bill introduced in 1949 by Senator Haskell of Penobscot County. Her revision of the labor statutes prohibited employers from paying male and female workers different "salary or wage rates" for "equal work."

The statute was revised in 1965 and language pertaining to "equal work" was amended to "comparable work." The legislation further defined comparable work as "jobs which have comparable requirements relating to skill, effort and responsibility."

Despite the best intentions of the sponsors, however, the legislation was unable to address the issue because the law was too vague and did not provide for sufficient enforcement provisions.

A 1997 report by the Commission to Study Poverty Among Working Parents

recommended that the Maine Department of Labor promulgate rulemaking, which would allow for the law to be effectively implemented and enforced.

The final product clarified terminology in the existing law, created a formalized complaint process for enforcement purposes, and provided employers with a framework, by which they could conduct a self-evaluation of wages within their organization and identify possible areas of pay discrimination.

In the past year, Maine has not had any complaints under investigation from workers alleging discrimination under the Maine law.

A summary of the Maine Pay Equity Law is included on Minimum Wage Posters, which are required to be posted at every worksite across the state.

Impact of Wage Inequity

The wage gap, magnified over the course of a lifetime of earnings, can have a serious impact on the economic security of women.

According to the Census, women are over 40% more likely to be poor than men. In 2002, the poverty rate of women nationally was 12.3% compared to 8.7% for men. The gender gap was even larger among the seniors, with older women over 60% more likely to be poor than older men.

In Maine, nearly 10% of family households are led by single women. In those homes, when women's earnings increase, the additional spending power is felt directly by the whole family. And if pay equity helps families rely less on government services to make ends meet, addressing this issue not only has a positive effect on women and their immediate families, it has a positive effect for society as a whole.

Policy Solutions

Bridging the wage gap will not happen on its own — workers, employers and policymakers all need to be part of the solution.

Comparable worth policies-

Employers need to reevaluate pay scales in occupations throughout their organization — rating each on a scale based on a number of factors including:

- Educational or skill level required to do the work;
- Responsibility;
- Effort; and
- Working Conditions

Once the evaluation is conducted, pay scales should be adjusted so that occupations with similar scores pay similar wages.

Workforce Development Policies Encouraging Nontraditional Occupations-

State and Federal workforce development efforts must encourage women to enter into high wage, high growth careers. Many of which are nontraditional jobs.

Nontraditional jobs are gender segregated occupations where one sex comprises a

large majority of the workforce in the occupation. Examples of nontraditional jobs for women are mechanics, construction occupations, and engineers.

For women, nontraditional jobs often offer better starting pay than traditional female employment options. In addition, many nontraditional jobs provide a well defined career ladder where on-the-job training and experience can lead to career advancement into better jobs with higher rates of pay.

CareerCenter customers, regardless of gender, should be evaluated for educational attainment, skills and abilities and then matched with a diverse range of employment and training options, particularly those outside of the individual's gender roles.

Improving Aspirations-

Young women need to be exposed to opportunities that will help them look outside gender roles and pursue an education that will lead them to future success in the working world.

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Mission:

The Maine Department of Labor is committed to promoting the economic well-being of people in the labor force and employers by attracting and retaining a wide range of employment opportunities, promoting independence and lifelong learning, by fostering economic stability and by ensuring the safe and fair treatment of all people on the job.

The Maine Department of Labor provides equal opportunity in employment and programs. Auxiliary aids and services are available upon request to individuals with disabilities.

This report was issued pursuant to MRSA, Title 26, §628. For further information, or additional copies, please contact Adam Fisher.

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